

## **POSSIBLE ADDITIONAL LICENSES REQUIRED FOR THIRD PARTY ADMINISTRATORS**

### **If a Third Party Administrator:**

1. *is involved in any manner in a sale (i.e. solicits and/or negotiates to consumers/employers, receives override commissions),* the TPA must obtain an agency license in addition to its TPA license and each individual engaging in producer activity (see page 2) must have either a resident or non-resident producer license;
2. *solicits, negotiates or places reinsurance cessions or retrocessions on behalf of a ceding insurer without the authority or power to bind reinsurance on behalf of an insurer,* the TPA must be licensed as a Reinsurance Intermediary-Broker;
3. *has authority to bind or manage all or part of the assumed reinsurance business of a reinsurer, and acts as an agent for the reinsurer,* the TPA must obtain a Reinsurance Intermediary-Manager license;
4. *negotiates and binds ceding reinsurance contracts on behalf of an insurer or produces, and underwrites, directly or indirectly, an amount of gross written premium which constitutes 5% or more of the policyholder surplus in any one quarter,* the TPA must register as a Managing General Agent;
5. *adjusts workers' compensation claims,* each individual actually doing the adjusting must have a valid resident or non-resident adjuster license. The TPA license fulfills the adjusting firm licensing requirement.
6. *performs utilization review services,* the TPA must be licensed as a Medical Utilization Review Entity. (Contact Michael McGonigle at 207-624-8416)
7. *performs utilization review services for workers' compensation claims,* the TPA must register with the Maine Workers' Compensation Board. (Contact Isabelle Tighe at 207-287-3751)

Should the determination be made that your entity needs to apply for a Reinsurance Intermediary-Broker license, Reinsurance Intermediary-Manager license or register as an MGA, you may contact Barbra Garboski at 207-624-8489. For information concerning the licensing of an adjuster, producer or agency please call Ms. Ayotte at 207-624-8413 or Ms. Blaisdell at 207-624-8412.

## ***“Producer Activities”***

“Insurance producer activities” means, with respect to insurance risks residing, located or to be performed in this State, to solicit, take application for, negotiate, effect, procure, deliver, renew, bind or receive commissions for policies of insurance issue by insurers, certificates of insurance under approved group policies, automobile mechanical breakdown contracts if the contracts are issued or backed by an insurer; or certificates of policies issued by health maintenance organizations or nonprofit hospital or medical service organizations.

A license as an insurance producer is not required of the following persons:

Any salaried employee in the office of an insurance producer who performs only clerical or administrative services, subject to the following:

1. The unlicensed employee may not engage in producer activities:
2. The unlicensed employee may not receive any commissions or other compensation directly dependent upon the amount of business obtained. Employees may participate in profit-sharing arrangements, pension plans and bonuses offered by the insurer or agency;
3. The unlicensed employee may occasionally take information incidental to insurance coverage for applications. Unlicensed personnel who take incidental information from a customer shall give the proposed insured the name of the licensed insurance producer who is responsible for obtaining the coverage and shall refer any information the unlicensed person receives to the licensed insurance producer;
4. The unlicensed employee may occasionally take full applications for insurance, but may not do so on a routine basis; and
5. The primary contact must be between a prospective insured and an insurance producer.